**New Incentive Bonus Scheme for Development Officers of LIC**

70. SHRI DATTA MEGHE: Will the Minister of FINANCE be pleased to state:

(a) the total number of Development Officers in Life Insurance Corporation of India (LIC) throughout the country;

(b) whether the LIC has introduced a New Incentive Bonus Scheme-2004 for these Development Officers;

(c) if so, the salient features thereof;

(d) whether the LIC has representation from the National Federation of Insurance Field Workers of India, against the New Incentive Bonus Scheme-2004; and

(e) if so, the details thereof including the Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Life Insurance Corporation of India (LIC) has informed that the total number of Development Officers in LIC as on 31.3.2004 is 19,403.

(b) and (c) Yes, Sir. LIC has introduced the new Growth Oriented Incentive Bonus Scheme-2004 to face the rapidly growing competitive environment effectively. The features of the new Scheme, *inter-alia,* include:—

(i) Merger of existing Incentive Bonus^Scheme, Scheme for reimbursement of expenses, additional conveyance Allowance Scheme into one Scheme with higher basic rate of incentive bonus.

(ii) Graded system of credit depending on number of years the agents has worked under the Development Officer and allowing 100% credit for growth in performance of agents above 11 years, over and above last year.

(iii) Minimum number of agents and debits for nil/reduced recruitment and termination.

(iv) Higher Incentives for High Value Sales.

(v) Benchmark for sale of unit linked plans, Pension Plans and other specific plans.

(vi) Minimum number of lives fixed 550 lives as the current average productivity of Development Officers is more than 1000 lives.

(d) and (e) LIC has framed the scheme as per the Regulation 59 of Life Insurance Corporation of India (Staff) Regulation, 1960 after a series of deliberations and consultations with representatives of Development Officers including National Federation of Insurance Field Workers of India. The Regulations have been notified by the Corporation with previous approval of the Central Government.

**Report of Empowered Committee on VAT**

71. SHRIMURLI DEORA: Will the Minister of FINANCE be pleased to state:

(a) whether the empowered Committee on State Finance Ministers on VAT has submitted its report;

(b) if so, the salient features of the recommendations;

(c) whether the Central Government would withdraw the financial support to the States who do not implement VAT with effect from April, 2005; and

(d) by when the Central Sales Tax would be phased out?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) As per the terms of reference, the Empowered Committee of States Finance Ministers is not required to submit any report.

(c) No, Sir.

(d) In the meeting of the Empowered Committee of State Finance Ministers held on 2nd November 2004, it was decided that the Central Sales Tax shall continue during the year 2005-06. The Empowered Committee would review the position during 2005-06 and advise the Central Government.